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NSC BRIEFING

SOUTH VIETNAM

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I. The Diem regime in South Vietnam, in addition to facing a stiff challenge from resurgent Communist guerrilla forces, is also confronted with a crumbling of strength from within which is potentially the more dangerous.

A. Criticism of President Diem's authoritative, one-man rule is becoming more pronounced at all levels of the government, including even among the military.

B. Common complaint is that Diem's refusal to delegate authority beyond a tight circle of relatives and cronies has paralyzed effective government, fostered favoritism and corruption, and facilitated Communist subversion.

C. Various Vietnamese officials, including cabinet members and Vice President Tho, have expressed fear for the government's stability unless reforms are speedily effected.

II. Non-Communist opposition to Diem outside government circles--among intellectuals, labor leaders, etc.--is still uncoordinated but is becoming more outspoken.

A. A warning flag is the "manifesto" issued recently in Saigon by a nucleus group of old time Vietnamese government officials and civic leaders demanding liberalization of the government and adoption of democratic practices.

III. Events in South Korea have added new dimension to the anti-Diem movement which has been building up over the past several years.

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- A. Critics of Diem are watching for a hint of any wavering of American support for present regime.
- IV. Despite growing pressures for reforms, Diem will probably try to maintain status quo.
  - A. He insists exigencies of the times preclude more democratic practices.
  - B. He thinks more in terms of bigger and better equipped military forces to beat down the growing Communist threat than in basic political and economic reform measures.
  - C. Over the long run, the Communists stand to parlay internal weakness of the Diem regime into ever greater subversive gains.

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